

Senate Study Bill 1312

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
WAYS AND MEANS BILL BY
CHAIRPERSON BOLKCOM)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the taxation of persons who are
2 self-generators of electricity solely for their own
3 consumption and including a retroactive applicability date
4 provision.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

6 TLSB 2671SC 83

7 mg/sc/5

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1 1 Section 1. Section 437A.3, subsection 27, Code 2009, is
1 2 amended to read as follows:
1 3 27. "Self-generator" means a person, other than an
1 4 electric company, natural gas company, electric cooperative,
1 5 or municipal utility, who generates, by means of an on-site
1 6 facility wholly owned by or leased in its entirety to such
1 7 person, electricity solely for its own consumption, or for the
1 8 consumption of any owner, shareholder, member, beneficiary,
1 9 partner, or associate of such person, except for inadvertent
1 10 unscheduled deliveries to the electric utility furnishing
1 11 electric service to that self-generator. ~~A person who~~
1 12 ~~generates electricity which is consumed by any other person,~~
1 13 ~~including any owner, shareholder, member, beneficiary,~~
1 14 ~~partner, or associate of the person who generates electricity,~~
1 15 ~~is not a self-generator.~~ For purposes of this subsection,
1 16 "on-site power facility" means an electric power generating plant
1 17 that is wholly owned by or leased in its entirety to a person
1 18 and used to generate electricity solely for consumption by
1 19 such person or by any owner, shareholder, member, beneficiary,
1 20 partner, or associate of such person on the same parcel of
1 21 land on which such plant is located or on a contiguous parcel
1 22 of land. For purposes of this subsection, "parcel of land"
1 23 includes each separate parcel of land shown on the tax list.
1 24 Sec. 2. RETROACTIVE APPLICABILITY DATE. This Act applies
1 25 retroactively to January 1, 2009, for tax years beginning on
1 26 or after that date.

EXPLANATION

1 28 Under current law, a self-generator is a person, other than
1 29 utility companies, who generates by means of an on-site
1 30 facility electricity solely for its own purposes. Such a
1 31 person is exempt from payment of any replacement taxes under
1 32 Code chapter 437A and is subject to local property taxes.
1 33 However, if the on-site facility generates electricity that is
1 34 consumed by any other person, even a person related to the
1 35 person owning or leasing the on-site facility, then the
2 1 facility is not considered a self-generator. This means it
2 2 would be subject to the replacement tax and not the local
2 3 property tax.

2 4 This bill strikes the language that provides that the
2 5 on-site facility that generates electricity to other persons
2 6 including those related to the owner of the facility, is not a
2 7 self-generator and includes language that expands the
2 8 definition of self-generator to include those related to the
2 9 owner or lessee of the facility. The result of the bill is
2 10 that the facility that generates electricity for its own
2 11 consumption and which is consumed by a person who is a
2 12 shareholder, member, beneficiary, partner, or associate of the
2 13 owner or lessee of the facility is considered a self-generator
2 14 and is exempt from the replacement tax and subject to the
2 15 local property tax.

2 16 The bill applies retroactively to January 1, 2009, for tax

2 17 years beginning on or after that date.
2 18 LSB 2671SC 83
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